

February 8, 2017

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment
(COG) Rate 88 and Rate 99
Case No. PU-17-008

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and two (2) copies of a Cost of Gas (COG) change pursuant to the terms of Rates 88 and 99.

Attachment A is the Rate Summary Sheet (156th Revised Sheet No. 3) showing the proposed natural gas rates, with currently effective distribution rates.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has decreased \$0.708 per dk since the February 1, 2017 rates due to a decrease in the overall commodity price of gas. Attachment B explains the reasons for the decrease in the market price of gas.

The COG tariff sheet, Exhibit A page 1, summarizes the gas cost adjustment, the surcharge adjustment, and the grain drying margin sharing, calculated pursuant to the terms of Rate 88 that will apply during the month of March 2017.

The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$0.708 per dk for residential customers and firm general customers, a decrease of \$0.720 per dk for small and large interruptible customers and a decrease of \$0.717 per dk for Air Force interruptible customers from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of March 2017. The average cost of gas for firm customers, adjusted for losses, is \$4.289.

Exhibit B-1- Confidential contains confidential information on gas commodity pricing and is designated as Trade Secret in accordance with the Commission's March 23, 2016 Order in Case No. PU-16-008. Exhibit B-1 – Public Copy is also enclosed. Montana-Dakota has submitted a renewal of the Application for Trade Secret Protection to the Commission in Case No. PU-17-008 to renew the request of confidential treatment of portions of the cost

of gas calculation for 2017.

Exhibit C shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 88. The overall rate of return of 7.340% was authorized by the Commission in Case No. PU-15-90.

Montana-Dakota purchases propane supplies from various wholesale suppliers. The cost of propane increased since the February 1, 2017 rates due to an increase in the market price of propane.

Exhibit A, page 2 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of March 2017. The net effect of this filing is an increase of \$1.207 per dk for all customers from the currently effective rates.

Exhibit D shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of March 2017. The average cost of propane for all customers, adjusted for losses, is \$8.892 per dk.

Exhibit E shows the computation of the (over)/under recovered gas cost account balances.

These proposed adjustments, calculated in accordance with Rate 88, will amount to a decrease of approximately \$1,551,400 for natural gas customers during the month of March 2017. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 108,307 natural gas customers and 339 propane customers in North Dakota as of January 31, 2017.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Karl A. Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on January 9, 2017 to the North Dakota Public Service Commission for \$600 pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly COG filings.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

If you have any questions regarding this filing, please contact me at (701) 222-7856 or tamie.aberle@mdu.com

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

Attachment A

**Rate Summary Sheet
(Proposed)**



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
156th Revised Sheet No. 3
Canceling 155th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

| Rate Schedule | Sheet No. | Basic Service Charge | Distribution Delivery Charge | COG Items | Total Rate/ Dk |
|---------------------------------------|-----------|--|------------------------------|-----------|----------------------|
| Residential Rate 60 | 4 | \$0.6443 per day | \$0.000 | \$4.170 | \$4.170 |
| Air Force Rate 64 | 7 | \$2,000.00 per month \$175.00 per month | | | |
| Minot Air Force Base | | | | | |
| PAR Site | | | | | |
| Firm Service | | | \$0.329 | \$4.170 | \$4.499 |
| Interruptible Service - PAR | | | \$0.177 | \$3.107 | \$3.284 |
| Interruptible Service - MAFB | | | \$0.177 | \$3.009 | \$3.186 |
| Firm General Service Rate 70 | 13 | \$0.67 per day \$1.90 per day | \$0.730 | \$4.170 | \$4.900 |
| Meters rated < 500 cubic feet | | | | | |
| Meters rated > 500 cubic feet | | | | | |
| Small Interruptible Gas Rate 71 | 14 | \$175.00 per month | (Maximum) \$1.112 | \$3.107 | (Maximum) \$4.219 |
| Optional Seasonal Gas Service Rate 72 | 15 | \$0.67 per day \$1.90 per day | \$0.730 | \$4.279 | \$5.009 |
| Meters rated < 500 cubic feet | | | | | |
| Meters rated > 500 cubic feet | | | | | |
| Transportation Service | 24 | \$175.00 per month \$1,000.00 per month | | | |
| Small Interruptible Rate 81 | | | | | |
| Maximum | | | \$0.668 | | |
| Minimum | | | \$0.102 | | |
| Fuel Charge | | | | \$0.015 | |
| Large Interruptible Rate 82 | | | | | |
| Maximum | | | \$0.297 | | |
| Minimum | | | \$0.061 | | |
| Fuel Charge | | | | \$0.015 | |
| Large Interruptible Gas Rate 85 | 27 | \$1,000.00 per month | (Maximum) \$0.718 | \$3.107 | (Maximum) \$3.825 |
| Residential Propane Rate 90 | 32 | \$0.6443 per day | \$0.000 | \$7.646 | \$7.646 |
| Firm General Propane Rate 92 | 34 | \$0.67 per day \$1.90 per day | \$0.730 | \$7.646 | \$8.376 |
| Meters rated < 500 cubic feet | | | | | |
| Meters rated > 500 cubic feet | | | | | |

Date Filed: February 8, 2017

Effective Date: March 1, 2017

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

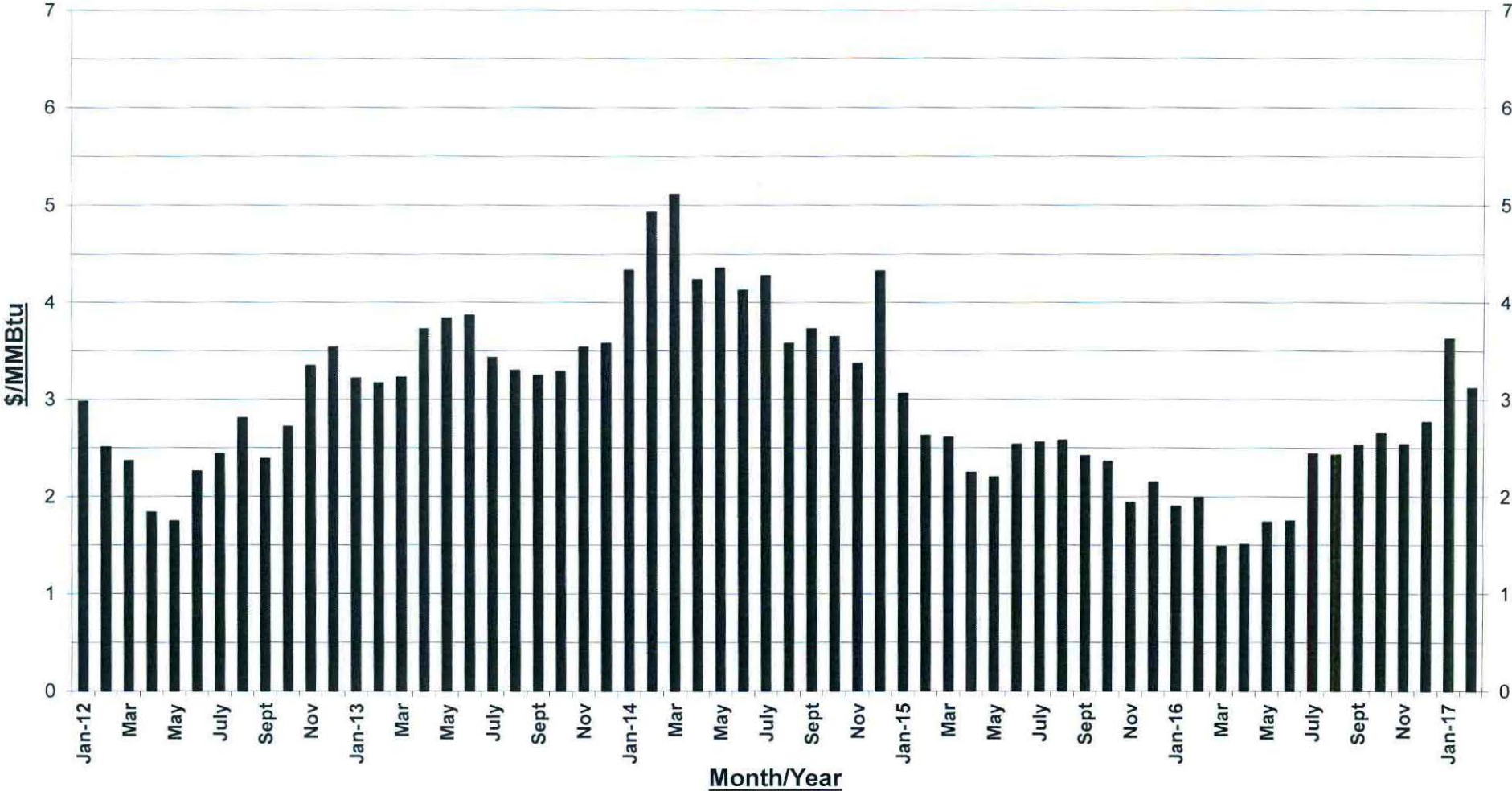
Case No.: PU-17-008

Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas
March 2017

The established monthly price for the Rocky Mountain CIG Index has decreased from the previous filing. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including “Inside FERC Gas Market” report and “Gas Daily” by McGraw-Hill Companies, of prices paid by willing sellers and buyers of quantities of gas in that region. That price is reflective of natural gas prices in the Rocky Mountain region and indicative of the supplies Montana-Dakota purchases for its requirements.

The natural gas futures prices have been dropped substantially during the past month as the weather moderated over much of the U.S. resulting in reduced demand for space heating. The current national storage balance is in the range of the five year average and strong domestic supply should help maintain storage level near this range. The EIA reported the national storage level as of January 27, 2017 at 2.2 percent above the five-year average and 8.9 percent below last year’s record storage balance. The EIA provides various publications on energy issues. The information is available on their website: <http://www.eia.gov>.

CIG Rocky Mountains Index Monthly Gas Prices 2012-2017



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2015-\$2.44; 2016-\$2.15, 2017YTD-\$3.38

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE MARCH 2017

| | Firm | | | |
|---|-------------------------------------|----------------------|-----------------------------------|----------------------------|
| | Residential & General Service | Optional Seasonal | Small & Large Interruptible | Air Force Interruptible |
| <u>Gas Cost Adjustment:</u> | | | | |
| Gas Cost Level (Exhibit B) | \$4.289 | \$4.398 | \$3.254 | \$3.239 |
| Prior Filed Gas Cost | 4.997 | 5.104 | 3.974 | 3.956 |
| Current Gas Cost Adjustment | (\$0.708) | (\$0.706) | (\$0.720) | (\$0.717) |
| <u>Surcharge Adjustment:</u> | | | | |
| Current Adjustment | (\$0.112) | (\$0.112) | (\$0.147) | (\$0.230) |
| Prior Filed Adjustment | (0.112) | (0.112) | (0.147) | (0.230) |
| Change in Surcharge Adjustment | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Gas Cost Level | \$4.289 | \$4.398 | \$3.254 | \$3.239 |
| Plus: Surcharge | (0.112) | (0.112) | (0.147) | (0.230) |
| Total Gas Cost Level in Tariff Rates | \$4.177 | \$4.286 | \$3.107 | \$3.009 |
| <u>Grain Drying Margin Sharing</u> | | | | |
| Current Adjustment | (\$0.007) | (\$0.007) | \$0.000 | \$0.000 |
| Prior Filed Adjustment | (0.007) | (0.007) | 0.000 | 0.000 |
| Change in Grain Drying Margin Sharing | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cost of Gas Items | \$4.170 | \$4.279 | \$3.107 | \$3.009 |
| Net Increase (Decrease) in Gas Costs | (\$0.708) | (\$0.706) | (\$0.720) | (\$0.717) |

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE MARCH 2017

Cost of Gas - Propane

| | |
|--|-----------------------|
| Current Propane Cost (Exhibit D, Page 1) | \$8.892 |
| Prior Filed Propane Cost | <u>7.685</u> |
| Current Propane Cost Adjustment | <u><u>\$1.207</u></u> |

Surcharge Adjustment

| | |
|--------------------------------|----------------|
| Current Adjustment | (\$1.246) |
| Prior Filed Adjustment | <u>(1.246)</u> |
| Change in Surcharge Adjustment | \$0.000 |

Net Increase (Decrease) in Gas Costs \$1.207

| | |
|-----------------------------------|-----------------------|
| Propane Cost Level | \$8.892 |
| Plus: Surcharge | <u>(1.246)</u> |
| Total Propane Cost Level in Rates | <u><u>\$7.646</u></u> |

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE MARCH 2017**

| | Amount |
|---|------------------|
| Total Gas Costs 1/ | \$69,694,985 |
| Residential and General Service dk Requirements 2/ | 16,320,742 |
| Average Cost of Gas per dk | \$4.270 |
| Average Cost of Gas as Adjusted for Losses @ 99.55% | 4.289 |
| Less: Gas Cost Level in Rates 3/ | 4.997 |
| Current Gas Cost Adjustment | (\$0.708) |

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-19 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Normalized dk sales for the twelve months ended December 31, 2016, adjusted for losses at .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:

| | |
|-------------------------------------|---------|
| Cost of Purchased Gas | \$4.975 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$4.997 |

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE MARCH 2017**

| | |
|--|--------------------------------|
| Total Gas Costs 1/ | \$69,694,985 |
| Less: Annual MDDQ Costs | <u>17,572,008</u> |
| Total Gas Costs excluding MDDQ | \$52,122,977 |
| Firm Service Requirements 1/ | 16,320,742 |
| Other Gas Costs per Dk (excluding MDDQ) | \$3.194 |
| <u>Winter - October - May</u> | |
| Annual MDDQ Costs 1/ | \$17,572,008 |
| Winter Firm Service Requirements | 14,838,394 |
| MDDQ Costs per Winter Dk | \$1.184 |
| Add: Other Gas Costs per Dk | <u>3.194</u> |
| Winter Seasonal Rate | \$4.378 |
| Winter Seasonal Rate, adjusted for losses 2/ | \$4.398 |
| Less: Gas Cost Level in Rates 3/ | <u>5.104</u> |
| Current Gas Cost Adjustment | <u><u>(\$0.706)</u></u> |

1/ Exhibit B, page 1.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:

| | |
|-------------------------------------|---------------|
| | <u>Winter</u> |
| Cost of Purchased Gas | \$5.081 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$5.104 |

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE MARCH 2017**

| | Amount |
|---|------------------|
| Total Gas Costs 1/ | \$20,074,559 |
| Interruptible Service dk Requirements | 6,198,292 |
| Average Cost of Gas per dk | \$3.239 |
| Average Cost of Gas as Adjusted for Losses @ 99.55% | 3.254 |
| Less: Gas Cost Level in Rates 2/ | 3.974 |
| Current Gas Cost Adjustment | (\$0.720) |

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 5-19 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:

| | |
|-------------------------------------|---------|
| Cost of Purchased Gas | \$3.956 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$3.974 |

**Montana-Dakota Utilities Co.
Schedule of Applicable Effective Pipeline Rates
March 2017 PGA**

WBI Energy Transmission, Inc. - Exhibit B, pages 9 - 13 for Schedules FT-1, FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit B, page 14 for Schedule T-1.

Foothills Pipe Lines, Ltd. - Billed on a cost of service basis so there are no tariff sheets.

NOVA Gas Transmission - Exhibit B, pages 15-16 for Schedule FT-D.

NorthWestern Energy - Exhibit B, page 17 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline - Exhibit B, page 18 for Rate 1.

Black Hills Gas Distribution, LLC - Exhibit B, Page 19 for Schedule TC.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF NORTHERN BORDER ET AL RATE
MARCH 2017 PGA**

| | |
|-----------------------------------|------------------------|
| Northern Border 1/ | |
| Monchy to Mina Mileage | 506.0943 |
| Maximum Rate | <u>\$0.0286</u> |
| Maximum Rate Per 100 Miles | \$0.1447 |
| | |
| Foothills (FT) Zone 9 | |
| Rate (Canadian GJ/d) 2/ | \$0.0750 |
| GJ/d conversion to MMBtu | 1.0551 |
| Currency Exchange Rate 3/ | <u>0.7640</u> |
| | 0.0605 |
| | |
| NOVA - FT-D | |
| Demand Rate (Canadian GJ/d) 4/ | \$0.1836 |
| GJ/d conversion to MMBtu | 1.0551 |
| Currency Exchange Rate 3/ | <u>0.7640</u> |
| | 0.1480 |
| | |
| Northern Border Et Al Rate | <u><u>\$0.3532</u></u> |

1/ T-1 & T-1B Daily Reservation Rate, Port of Morgan, MT to Ventura, IA effective January 1, 2013.

2/ Rate Schedule FT, Firm Service Zone 9, proposed rates effective January 1, 2017.

3/ Exchange rate per February 2, 2017 Gas Daily.

4/ FT-D Demand Rate per Month, Empress/McNeill Border, proposed interim rates effective January 1, 2017 (expressed as a daily rate). Includes a 10% discount rate.

**MONTANA-DAKOTA UTILITIES CO.
NORTHWESTERN ENERGY DEMAND AND COMMODITY CHARGES
MARCH 2017 PGA**

| <u>Demand:</u> | <u>Billing Determinants</u> | <u>Rate</u> | <u>Annual Charge</u> |
|--------------------------|---------------------------------|-------------|--------------------------|
| Monthly Meter Charges 1/ | 12 | \$385.85 | \$4,630 |
| MDDQ 2/ | 6,700 | 10.323733 | 830,028 |
| | | | <u>834,658</u> |
| Demand charge per dk | | | <u><u>\$10.38132</u></u> |
| | | | |
| <u>Commodity: 3/</u> | | | |
| Transportation | | | \$0.0799510 |
| GTAC | | | <u>(\$0.0075280)</u> |
| | | | <u><u>\$0.072423</u></u> |

- 1/ One meter rated at >30,000 cubic feet per hour.
 2/ Firm Transportation Reservation Rate (T-FTG-1)
 41st Revised Sheet No. 80.1, effective January 1, 2017.
 3/ Firm Transmission Commodity Rate (T-FTG-1)
 41st Revised Sheet No. 80.1, effective January 1, 2017.

**MONTANA-DAKOTA UTILITIES CO.
BLACK HILLS GAS TRANSPORTATION CHARGES
MARCH 2017 PGA**

| <u>Demand:</u> | <u>Billing Determinants</u> | <u>Rate</u> | <u>Total</u> |
|-----------------------|---------------------------------|-------------|------------------|
| Administrative Fee 1/ | 12 | \$650 | \$7,800 |
| MDDQ 2/ | 2,000 | 7.00000 | 168,000 |
| Total | | | <u>\$175,800</u> |
| Demand charge per dk | | | <u>\$7.32500</u> |
| <u>Commodity: 2/</u> | | | |
| Transportation | | | <u>\$0.08</u> |

1/ Two meters @ \$325/meter. Black Hills Gas WY Rate Schedule TC, Original Sheet No. 9.

2/ Discount Agreement for Montana-Dakota Utilities Co. on Firm Transportation Service Agreement #6000189 effective January 1, 2016 through March 31, 2019.

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

| RATE SCHEDULE | UNIT | BASE TARIFF RATE | TOP THROUGHPUT SURCHARGE | GAS SUPPLY REALIGNMENT SURCHARGE | BASE TARIFF RATE PLUS SURCHARGES |
|--|---------------------------|------------------|--------------------------|----------------------------------|----------------------------------|
| RATE SCHEDULE FT-1 | | | | | |
| RESERVATION CHARGE | | | | | |
| MAXIMUM DAILY DELIVERY QUANTITY (MDDQ) | | | | | |
| MAXIMUM | RATE PER EQV. DKT PER MO. | 921.000 | N.A. | N.A. | 921.000 |
| MINIMUM | RATE PER EQV. DKT PER MO | 0.000 | N.A. | N.A. | 0.000 |
| COMMODITY CHARGE | | | | | |
| MAXIMUM A/B/C/ | RATE PER DKT | 2.842 | N.A. | N.A. | 2.842 |
| MINIMUM A/B/C/ | RATE PER DKT | 2.842 | N.A. | N.A. | 2.842 |
| SCHEDULED OVERRUN CHARGE | | | | | |
| MAXIMUM A/B/C/ | RATE PER DKT | 32.112 | N.A. | N.A. | 32.112 |
| MINIMUM A/B/C/ | RATE PER DKT | 2.842 | N.A. | N.A. | 2.842 |
| VOLUMETRIC CAPACITY RELEASE CHARGE | | | | | |
| MAXIMUM | RATE PER DKT | 30.279 | N.A. | N.A. | 30.279 |
| MINIMUM | RATE PER DKT | 0.000 | N.A. | N.A. | 0.000 |

- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
- B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
- C/ SHIPPER MUST REIMBURSE TRANSPORTER FOR THE ACA SURCHARGE. SUCH SURCHARGE SHALL BE THE ACA UNIT CHARGE SPECIFIED IN THE ANNUAL NOTICE ISSUED BY THE FERC ENTITLED "FY [YEAR] GAS ANNUAL CHARGES CORRECTION FOR ANNUAL CHARGES UNIT CHARGE."

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

| RATE SCHEDULE | UNIT | BASE TARIFF RATE | TOP THROUGHPUT SURCHARGE | GAS SUPPLY REALIGNMENT SURCHARGE | BASE TARIFF RATE PLUS SURCHARGES |
|--|---------------------------|---------------------|--------------------------------|--|--|
| ----- | | | | | |
| RATE SCHEDULE FTN-1 | | | | | |
| ----- | | | | | |
| RESERVATION CHARGE | | | | | |
| MAXIMUM DAILY DELIVERY QUANTITY (MDDQ) | | | | | |
| MAXIMUM | RATE PER EQV. DKT PER MO. | 24.274 | N.A. | N.A. | 24.274 |
| MINIMUM | RATE PER EQV. DKT PER MO. | 1.263 | N.A. | N.A. | 1.263 |
| VOLUMETRIC CAPACITY RELEASE CHARGE | | | | | |
| MAXIMUM | RATE PER DKT | 0.798 | N.A. | N.A. | 0.798 |
| MINIMUM | RATE PER DKT | 0.042 | N.A. | N.A. | 0.042 |

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

| RATE SCHEDULE | UNIT | BASE TARIFF RATE | TOP THROUGHPUT SURCHARGE | GAS SUPPLY REALIGNMENT SURCHARGE | BASE TARIFF RATE PLUS SURCHARGES |
|--------------------------------|---------------------------|------------------|--------------------------|----------------------------------|----------------------------------|
| ----- | | | | | |
| RATE SCHEDULE FS-1 | | | | | |
| ----- | | | | | |
| CAPACITY RESERVATION CHARGE | | | | | |
| MAXIMUM | RATE PER EQV. DKT PER MO. | 1.757 | N.A. | N.A. | 1.757 |
| MINIMUM | RATE PER EQV. DKT PER MO. | 0.000 | N.A. | N.A. | 0.000 |
| CAPACITY DELIVERABILITY CHARGE | | | | | |
| MAXIMUM | RATE PER EQV. DKT PER MO. | 201.507 | N.A. | N.A. | 201.507 |
| MINIMUM | RATE PER EQV. DKT PER MO. | 0.000 | N.A. | N.A. | 0.000 |
| INJECTION CHARGE | | | | | |
| MAXIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |
| MINIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |
| WITHDRAWAL CHARGE | | | | | |
| MAXIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |
| MINIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |
| SCHEDULED OVERRUN CHARGE | | | | | |
| INJECTION | | | | | |
| MAXIMUM A/B/ | RATE PER DKT | 18.683 | N.A. | N.A. | 18.683 |
| MINIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |
| WITHDRAWAL | | | | | |
| MAXIMUM A/B/ | RATE PER DKT | 18.683 | N.A. | N.A. | 18.683 |
| MINIMUM A/B/ | RATE PER DKT | 1.221 | N.A. | N.A. | 1.221 |

- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR STORAGE FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.
- B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR STORAGE. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

NOTICE OF CURRENTLY EFFECTIVE RATES

 FUEL USE AND LOST AND UNACCOUNTED FOR GAS ("L&U") REIMBURSEMENT PERCENTAGES

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

| | <u>CURRENT PERCENTAGE</u> | <u>DEFERRAL PERCENTAGE</u> | <u>TOTAL PERCENTAGE</u> |
|------------------------|-------------------------------|--------------------------------|-----------------------------|
| FUEL USE REIMBURSEMENT | 2.105% | (0.423)% | 1.682% |
| L&U REIMBURSEMENT | 0.000% | (0.526)% | (0.526)% |

GATHERING - FIRM AND INTERRUPTIBLE

| | <u>CURRENT PERCENTAGE</u> | <u>DEFERRAL PERCENTAGE</u> | <u>TOTAL PERCENTAGE</u> |
|------------------------|-------------------------------|--------------------------------|-----------------------------|
| FUEL USE REIMBURSEMENT | 5.058% | (0.452)% | 4.606% |
| L&U REIMBURSEMENT | (0.412)% | (0.283)% | (0.695)% |

STORAGE - RATE SCHEDULES FS-1 AND IS-1

| | <u>CURRENT PERCENTAGE</u> | <u>DEFERRAL PERCENTAGE</u> | <u>TOTAL PERCENTAGE</u> |
|------------------------|-------------------------------|--------------------------------|-----------------------------|
| FUEL USE REIMBURSEMENT | 0.669% | (0.324)% | 0.345% |
| L&U REIMBURSEMENT | 0.000% | (0.401)% | (0.401)% |

NOTICE OF CURRENTLY EFFECTIVE RATES

ELECTRIC POWER REIMBURSEMENT RATES (CENTS/DKT)

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

| | <u>CURRENT RATE</u> | <u>DEFERRAL RATE</u> | <u>TOTAL RATE</u> |
|------------------------------|-------------------------|--------------------------|-----------------------|
| ELECTRIC POWER REIMBURSEMENT | 0.698 | 0.108 | 0.806 |

GATHERING - FIRM AND INTERRUPTIBLE

| | <u>CURRENT RATE</u> | <u>DEFERRAL RATE</u> | <u>TOTAL RATE</u> |
|------------------------------|-------------------------|--------------------------|-----------------------|
| ELECTRIC POWER REIMBURSEMENT | 0.000 | 0.000 | 0.000 |

STORAGE - RATE SCHEDULES FS-1 AND IS-1

| | <u>CURRENT RATE</u> | <u>DEFERRAL RATE</u> | <u>TOTAL RATE</u> |
|------------------------------|-------------------------|--------------------------|-----------------------|
| ELECTRIC POWER REIMBURSEMENT | 0.050 | (0.134) | (0.084) |

STATEMENT OF RATES
2/ 3/

| Rate Schedule | Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/ |
|--|---|
| ----- | |
| T-1 and T-1B | |
| Daily Reservation Rate - Port of Morgan, MT to Ventura, IA | |
| Maximum | \$0.0286 |
| Minimum | \$0.0000 |
| Daily Reservation Rate - Ventura, IA to North Hayden, IN | |
| Maximum | \$0.0307 |
| Minimum | \$0.0000 |
| Commodity Rate - Port of Morgan, MT to North Hayden, IN | |
| Maximum | \$0.0004 |
| Minimum | \$0.0004 |

- 1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.
- 2/ The Settlement Rates, pursuant to Articles II and VII of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al., remain in effect until such rates are superseded by new rates placed into effect consistent with the provisions of the Stipulation.
- 3/ Rates in this section are subject to the revenue retrieval provision pursuant to Article V.A of the September 27, 2012, Stipulation at Docket Nos. RP06-72-000, et al.

| Service | Rates, Tolls and Charges | |
|--|--|--|
| 1. Rate Schedule FT-R | Refer to Attachment "1" for applicable FT-R Demand Rate per month based on a three year term (Price Point "B") & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$ 247.10/10 ³ m ³ | |
| 2. Rate Schedule FT-RN | Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point | |
| 3. Rate Schedule FT-D ¹ | Refer to Attachment "2" for applicable FT-D Demand Rate per month based on a one year term (Price Point "Z") & Surcharge for each Group 1 or Group 2 Delivery Point Average FT-D Demand Rate for Group 1 Delivery Points \$ 5.95/GJ FT-D Demand Rate for Group 2 Delivery Points \$ 5.69/GJ FT-D Demand Rate for Group 3 Delivery Points \$ 6.83/GJ | |
| 4. Rate Schedule STFT | STFT Bid Price = Minimum of 100% of the applicable FT-D Demand Rate based on a one year term (Price Point "Z") for each Group 1 Delivery Point | |
| 5. Rate Schedule FT-DW | FT-DW Bid Price = Minimum of 125% of the applicable FT-D Demand Rate based on a three year term (Price Point "Y") for each Group 1 Delivery Point | |
| 6. Rate Schedule FT-P ¹ | Refer to Attachment "3" for applicable FT-P Demand Rate per month | |
| 7. Rate Schedule LRS | <u>Contract Term</u> 20 years | <u>Effective LRS Rate (\$/10³m³/day)</u> 7.97 |
| 8. Rate Schedule LRS-3 | LRS-3 Demand Rate per month \$ 129.55/10 ³ m ³ | |
| 9. Rate Schedule IT-R | Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point | |
| 10. Rate Schedule IT-D ¹ | Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point | |
| 11. Rate Schedule FCS | The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service | |
| 12. Rate Schedule PT | The PT Charge is determined in accordance with the applicable Schedule of Service | |
| 13. Rate Schedule OS | <u>Schedule No.</u> | <u>Charge</u> |
| | 2016800075 | \$ 161.20 /10 ³ m ³ / month |
| | 2016800076 | \$ 161.20 /10 ³ m ³ / month |
| | 2016800077 | \$ 161.20 /10 ³ m ³ / month |
| | 2016800078 | \$ 161.20 /10 ³ m ³ / month |
| | 2016805891 | \$ 161.20 /10 ³ m ³ / month |
| | 2011475772 | \$ 9,250.00 / month |
| | 2016732104 | \$ 805.00 / month |
| | 2003004522 | Applicable IT-R and IT-D Rate |
| | 2011476052 / | \$ 0.1871 / GJ subject to |
| | 2011476054 | \$ 717,000.00 Minimum Annual Charge |
| | 2011475056 / 2011476092 / | \$ 0.095 / GJ and |
| | 2016721799 / 2016759254 | \$ 1,000.00 / month |
| 14. Rate Schedule CO2 | <u>Tier</u> | <u>CO₂ Rate (\$/10³m³)</u> |
| | 1 | 554.29 |
| | 2 | 438.58 |
| | 3 | 284.76 |
| 15. Monthly Abandonment Surcharge ² | \$11.38/10 ³ m ³ /month | \$0.30/GJ/month |
| 16. Daily Abandonment Surcharge ³ | \$0.37/10 ³ m ³ /day | \$0.0099/GJ/day |

1. Service under rate Schedules FT-D, FT-P and IT-D for delivery stations identified in Attachment 2, and stations identified on rate Schedules OS No. 2011476092, are subject to the ATCO Pipelines Franchise Fees pursuant to paragraph 15.13 of the General Terms and Conditions.

2. Monthly Abandonment Surcharge applicable to Rate Schedules FT-R, FT-D, FT-P, FT-RN, FT-DW, STFT, LRS-3, and the following Rate Schedules OS: 2016800075, 2016800076, 2016800077, 2016800078, and 2016805891.

3. Daily Abandonment Surcharge applicable to Rate Schedules IT-R, IT-D, LRS, the following Rate Schedules OS: 2011476052, 2011476054, 2011475056, 2011476092, 2016721799, 2016759254, 2003004522, and if applicable Over-Run Gas.

| Group 1 Delivery Point Number | Group 1 Delivery Point Name | FT-D Demand Rate per Month Price Point "Z" (\$/GJ) | IT-D Rate per Day (\$/GJ) |
|-------------------------------------|--|---|---------------------------------|
| 2000 | ALBERTA-B.C. BORDER | 5.69 | 0.2058 |
| 31111 | ALLIANCE CLAIRMONT INTERCONNECT APN | 5.69 | 0.2058 |
| 31110 | ALLIANCE EDSON INTERCONNECT APN | 5.69 | 0.2058 |
| 31112 | ALLIANCE SHELL CREEK INTERCONNECT APGC | 5.69 | 0.2058 |
| 3002 | BOUNDARY LAKE BORDER | 5.69 | 0.2058 |
| 1958 | EMPRESS BORDER | 6.19 | 0.2240 |
| 3886 | GORDONDALE BORDER | 5.69 | 0.2058 |
| 6404 | MCNEILL BORDER | 6.19 | 0.2240 |

| Group 2 Delivery Point Number | Group 2 Delivery Point Name | FT-D Demand Rate per Month Price Point "Z" (\$/GJ) | IT-D Rate per Day (\$/GJ) | Subject to ATCO Pipelines Franchise Fees ¹ |
|-------------------------------------|---------------------------------|---|---------------------------------|---|
| 31000 | A.T. PLASTICS SALES APN | 5.69 | 0.2058 | Yes |
| 31001 | ADM AGRI INDUSTRIES SALES APN | 5.69 | 0.2058 | Yes |
| 3880 | AECO INTERCONNECTION | 5.69 | 0.2058 | |
| 31003 | AGRIUM CARSELAND SALES APS | 5.69 | 0.2058 | |
| 31002 | AGRIUM FT. SASK SALES APN | 5.69 | 0.2058 | Yes |
| 31004 | AGRIUM REDWATER SALES APN | 5.69 | 0.2058 | |
| 31005 | AINSWORTH SALES APGP | 5.69 | 0.2058 | |
| 31006 | AIR LIQUIDE SALES APN | 5.69 | 0.2058 | |
| 3214 | AQUINU RIVER WEST SALES | 5.69 | 0.2058 | |
| 31007 | ALBERTA ENVIROFUELS SALES APN | 5.69 | 0.2058 | Yes ² |
| 31008 | ALBERTA HOSPITAL SALES APN | 5.69 | 0.2058 | Yes |
| 3868 | ALBERTA-MONTANA BORDER | 5.69 | 0.2058 | |
| 3297 | ALDER FLATS SOUTH NO 2 SALES | 5.69 | 0.2058 | |
| 3059 | ALLISON CREEK SALES | 5.69 | 0.2058 | |
| 31009 | ALTASTEEL SALES APN | 5.69 | 0.2058 | Yes ² |
| 3562 | AMOCO SALES (BP SALES TAP) | 5.69 | 0.2058 | |
| 31012 | APL JASPER SALES APN | 5.69 | 0.2058 | Yes |
| 3488 | ARDLEY SALES | 5.69 | 0.2058 | |
| 3237 | ASPEN SALES | 5.69 | 0.2058 | |
| 3662 | ATUSIS CREEK EAST SALES | 5.69 | 0.2058 | |
| 3216 | AURORA NO 2 SALES | 5.69 | 0.2058 | |
| 3135 | AURORA SALES | 5.69 | 0.2058 | |
| 3288 | BANTRY SALES | 5.69 | 0.2058 | |
| 3423 | BASHAW WEST SALES | 5.69 | 0.2058 | |
| 31013 | BAYMAG SALES APS | 5.69 | 0.2058 | |
| 31014 | BEAR CREEK COGEN SALES APGP | 5.69 | 0.2058 | |
| 3299 | BEAR RIVER WEST SALES | 5.69 | 0.2058 | |
| 3068 | BEAVER HILLS SALES | 5.69 | 0.2058 | |
| 3268 | BENBOW SOUTH SALES | 5.69 | 0.2058 | |
| 3933 | BIG EDDY INTERCONNECTION | 5.69 | 0.2058 | |
| 3655 | BIG PRAIRIE SALES | 5.69 | 0.2058 | |
| 3067 | BIGSTONE SALES | 5.69 | 0.2058 | |
| 3285 | BILBO SALES | 5.69 | 0.2058 | |
| 3468 | BLEAK LAKE SALES | 5.69 | 0.2058 | |
| 3295 | BOOTIS HILL SALES | 5.69 | 0.2058 | |
| 3225 | BOTHA SALES | 5.69 | 0.2058 | |
| 3259 | BOULDER CREEK SALES | 5.69 | 0.2058 | |
| 3164 | BRAINARD LAKE SALES | 5.69 | 0.2058 | |
| 3289 | BRAZEAU EAST SALES | 5.69 | 0.2058 | |
| 3670 | BRAZEAU SOUTH SALES | 5.69 | 0.2058 | |
| 3918 | BUFFALO CREEK INTERCONNECTION | 5.69 | 0.2058 | |
| 31015 | BURDETT COGEN SALES APS | 5.69 | 0.2058 | |
| 3678 | BURNED RIVER SALES | 5.69 | 0.2058 | |
| 3265 | BURNED TIMBER SALES | 5.69 | 0.2058 | |
| 3204 | CABIN SALES | 5.69 | 0.2058 | |
| 3293 | CADOGAN SALES | 5.69 | 0.2058 | |
| 3109 | CALDWELL SALES | 5.69 | 0.2058 | |
| 31016 | CALGARY ENERGY CENTRE SALES APS | 5.69 | 0.2058 | Yes |
| 3266 | CALUMET RIVER NO 2 SALES | 5.69 | 0.2058 | |
| 3262 | CALUMET RIVER SALES | 5.69 | 0.2058 | |
| 3634 | CANOE LAKE SALES | 5.69 | 0.2058 | |
| 3165 | CANOE LAKE SALES NO 2 | 5.69 | 0.2058 | |
| 3866 | CARBON INTERCONNECTION | 5.69 | 0.2058 | |
| 3484 | CARIBOU LAKE SALES | 5.69 | 0.2058 | |
| 3157 | CARIBOU LAKE SOUTH SALES | 5.69 | 0.2058 | |
| 3106 | CARMON CREEK SALES | 5.69 | 0.2058 | |
| 3101 | CAROLINE SALES | 5.69 | 0.2058 | |
| 31017 | CARSELAND COGEN SALES APS | 5.69 | 0.2058 | |
| 3275 | CARSON CREEK SALES | 5.69 | 0.2058 | |
| 3495 | CAVALIER SALES | 5.69 | 0.2058 | |
| 31018 | CHAIN LAKES COOP SALES APS | 5.69 | 0.2058 | |
| 3907 | CHANCELLOR INTERCONNECTION | 5.69 | 0.2058 | |
| 3669 | CHAPEL ROCK SALES | 5.69 | 0.2058 | |
| 3665 | CHAUVIN SALES | 5.69 | 0.2058 | |
| 3151 | CHEECHAM WEST NO 2 SALES | 5.69 | 0.2058 | |
| 3622 | CHEECHAM WEST SALES | 5.69 | 0.2058 | |

NATURAL GAS TARIFF



Canceling 41st Revised Sheet No. 80.1
40th Revised Sheet No. 80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

| | <u>Total Rate</u> | <u>Tax Portion of Rate</u> | <u>Rate Without Tax</u> |
|---|---|--------------------------------|-----------------------------|
| <u>RATES:</u> Net Monthly Bill: | | | |
| Monthly Service Charge per Meter: | | | |
| Meters Rated @ | | | |
| <u>Cu. Ft. per hour</u> | | | |
| 5,000 to 10,000 | \$ 95.25 | | \$ 95.25 |
| 10,001 to 30,000 | \$ 136.90 | | \$ 136.90 |
| >30,000 | \$ 303.75 | | \$ 303.75 |
| <u>PLUS:</u> | | | |
| Transmission Reservation Rate (MDDQ): | | | |
| Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ) | \$ 1.0323733 | \$ 0.2538910 | \$ 0.7784823 |
| Transmission Commodity Rate (Therm): | | | |
| Maximum | \$ 0.0079951 | \$ 0.0020959 | \$ 0.0058992 |
| Minimum | \$ 0.0017935 | | \$ 0.0017935 |
| GTAC Amortization | \$ (0.0007528) | | \$ (0.0007528) |
| Balancing Penalty Rate | Higher of \$25.00/ Dekatherm Or 150% of Market Price | | |

TAX PORTION OF RATE: This rate represents the amount charged to customers for state and local taxes and fees and is separately disclosed on customer's bill.

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

(continued)

Approved by Statute:
Docket No.: D2016.12.97
Tariff Letter No. 278-G

Effective for service rendered on or after
January 1, 2017

PUBLIC SERVICE COMMISSION
Mike Maas, Administrative Assistant

GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company
1415 N. Airport Rd
Pierre, SD 57501
Date Filed: January 24, 2001

SD P.U.C. Section No. 3
Original Sheet No. 1

Effective Date: January 10, 2001

TRANSPORTATION SERVICE Rate 1

Transportation rate is \$2.398 per dekatherm.

Issued By: Lisa A. Murphy, Vice President-Chief Financial Officer

**STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE**

NG-00-001

South Dakota Intrastate Pipeline Company

SD P.U.C. Section No. 4

Black Hills Gas Distribution, LLC
d/b/a Black Hills Energy

Wyo. P.S.C. Tariff No. 1
First Revised Sheet No. 9
Cancels Original Sheet No. 9

Statement of Firm and Interruptible Transportation Service Rates
Applicable to Shippers Not Receiving
Choice Gas Service
Rate Schedule TC 1/
Casper Division

| <u>Division</u> | <u>Receipt Point</u> | <u>Delivery Point</u> | <u>Monthly Customer Charge</u> | <u>Maximum Demand Charge 6/</u> | <u>Minimum Demand Charge 6/</u> | <u>Maximum Transportation Charge 2/</u> | <u>Minimum Transportation Charge 2/</u> | <u>Fuel Reimbursement Quantity Percentage 3/</u> |
|---------------------------------------|----------------------|-----------------------|--------------------------------|---------------------------------|---------------------------------|---|---|--|
| TC (Casper) Firm Transportation | MLI | MLI | \$0.00 | \$9.50 | \$0.00 | \$0.1040 | \$0.0010 | 0.525% |
| | MLI | MLE | \$145.00 | \$0.00 | \$0.00 | \$0.1040 | \$0.0010 | 0.525% |
| | MLI | DSE | \$225.00 | \$0.00 | \$0.00 | \$0.1703 | \$0.0020 | 1.689% |
| Interruptible Transportation 4/ | MLI | MLI | \$0.00 | \$0.00 | \$0.00 | \$0.0844 | \$0.0010 | 0.525% |
| | MLI | MLE | \$145.00 | \$0.00 | \$0.00 | \$0.0844 | \$0.0010 | 0.525% |
| Administrative Fee 5/ | | | \$325.00 | | | | | |

- 1/ Casper Division service area is defined on Sheet Nos. 2 and 3 of this Tariff.
- 2/ All charges are per therm.
- 3/ For fuel, lost and unaccounted for gas, the Company shall be entitled to retain the stated percentage of all therms received for transportation, unless otherwise agreed in writing. On or before March 1 of each year, the Company shall file with the Commission an application to revise the stated percentage to be effective June 1 of that year through May 31 of the following year. The Company shall calculate the stated percentage using not less than twelve (12) consecutive months of actual data.
- 4/ Interruptible Transportation Service is not available to DSE customers. The Customer Charge will be charged only for those months gas actually flows.
- 5/ In addition to the transportation charges stated above, Shippers are responsible for the monthly administrative fee as stated, applicable to each meter located at the customer location. For Interruptible Transportation Shippers, the Administrative Fee will be charged only for those months gas actually flows. Firm Transportation Shippers will be charged each month, regardless of gas flow.
- 6/ Per Dth of MDTQ per month.

Abbreviations (as defined in the General Terms and Conditions of this Tariff):
 MLI Mainline System Interconnect
 MLE Mainline System End-user
 DSE Distribution System End-user
 MDTQ Maximum Daily Transportation Quantity

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE MARCH 2017**

| <u>Billing Determinants</u> | | <u>Rate 1/</u> | <u>Amount</u> |
|---|------------|--------------------|------------------|
| <u>Demand Charges</u> | | | |
| <i>Transportation</i> | | | |
| FT-1 MDDQ | 155,014 | dk/Month \$9.21000 | \$17,132,147 |
| FTN-1 MDDQ | | dk/Month 0.24274 | |
| Northern Border et. al. | | dk/Month 0.35320 | |
| T-FTG-1 MDDQ | | dk/Month 10.38132 | |
| Black Hills Gas | | dk/Month 7.32500 | |
| <i>Storage</i> | | | |
| FS-1 Capacity Reservation | | dk/Month 0.01757 | |
| FS-1 Deliverability Reservation | | dk/Month 2.01507 | |
| Total Demand Charges | | | 21,638,888 |
| <u>Commodity Charges</u> | | | |
| <i>Transportation Charges</i> | | | |
| FT-1 Commodity | | dk 0.02972 | |
| Fuel - Transp. WBI | | dk | |
| Electric Power WBI | | dk 0.00806 | |
| Fuel - Transp. NB | | dk | |
| T-FTG-1 Commodity | | dk 0.07242 | |
| Fuel - Transp. NW | | dk | |
| SDIP | | dk 2.39800 | |
| Black Hills Gas | | dk 0.08000 | |
| <i>Storage Charges</i> | | | |
| FS-1 Injection | | dk 0.01221 | |
| FS-1 Withdrawal | | dk 0.01221 | |
| Fuel - Storage | | dk | |
| Electric Power WBI | | dk (0.00084) | |
| <i>Gas Commodity Charges</i> | | | |
| Gas Commodity - System | 16,320,742 | dk | 2/ |
| Total Commodity Charges | | | 47,493,630 |
| <u>Return on Rate Base</u> | | | |
| Demand Charges 3/ | | | 100,798 |
| Prepaid Commodity Balances 3/ | | | 28,788 |
| Cycle Storage Balances 3/ | | | 432,881 |
| Total Return | | | 562,467 |
| Total Gas Costs | | | \$69,694,985 |
| Residential and General Service dk Requirements 4/ | | | 16,320,742 |
| Average Cost of Gas per dk | | | \$4.270 |
| Average Cost of Gas as Adjusted for Losses @ 99.55% | | | 4.289 |
| Less: Gas Cost Level in Rates 5/ | | | 4.997 |
| Current Gas Cost Adjustment | | | (\$0.708) |

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of March 2017.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended December 31, 2016, adjusted for losses at .45%.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:

| | |
|-------------------------------------|---------|
| Cost of Purchased Gas | \$4.975 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$4.997 |

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE MARCH 2017**

| <u>Interruptible Billing Determinants</u> 1/ | <u>Rate</u> 2/ | <u>Amount</u> |
|---|-----------------|------------------|
| <u>Demand Charges</u> | | |
| <i>Transportation</i> | | |
| FT-1 MDDQ | 16,679 dk/Month | \$9.21000 |
| FTN-1 MDDQ | dk/Month | 0.24274 |
| Northern Border et. al. | dk/Month | 0.35320 |
| T-FTG-1 MDDQ | dk/Month | 10.38132 |
| Black Hills Gas | dk/Month | 7.32500 |
| <i>Storage</i> | | |
| FS-1 Capacity Reservation | dk/Month | 0.01757 |
| FS-1 Deliverability Reservation | dk/Month | 2.01507 |
| Total Demand Charges | | 2,331,234 |
| <u>Commodity Charges</u> | | |
| <i>Transportation Charges</i> | | |
| FT-1 Commodity | dk | 0.02972 |
| Fuel - Transp. WBI | dk | |
| Electric Power WBI | dk | 0.00806 |
| Fuel - Transp. NB | dk | |
| T-FTG-1 Commodity | dk | 0.07242 |
| Fuel - Transp. NW | dk | |
| SDIP | dk | 2.39800 |
| Black Hills Gas | dk | 0.08000 |
| <i>Storage Charges</i> | | |
| FS-1 Injection | dk | 0.01221 |
| FS-1 Withdrawal | dk | 0.01221 |
| Fuel - Storage | dk | |
| Electric Power WBI | dk | (0.00084) |
| <i>Gas Commodity Charges</i> | | |
| Gas Commodity | 6,198,292 dk | 3/ |
| Total Commodity Charges | | 17,681,705 |
| <u>Return on Rate Base</u> | | |
| Demand Charges 4/ | | 11,043 |
| Transportation Balances 4/ | | 3,154 |
| Cycle Storage Balances 4/ | | 47,423 |
| Total Return | | 61,620 |
| Total Gas Costs | | \$20,074,559 |
| Interruptible Service dk Requirements | | 6,198,292 |
| Average Cost of Gas per dk | | \$3.239 |
| Average Cost of Gas as Adjusted for Losses @ 99.55% | | 3.254 |
| Less: Gas Cost Level in Rates 5/ | | 3.974 |
| Current Gas Cost Adjustment | | (\$0.720) |

1/ Reflects level of interruptible dk volumes included in Case No. PU-13-803, excluding the Air Force.

2/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

3/ Weighted cost of gas for the month of March 2017.

4/ See Exhibit B, page 1. Allocated to interruptible on MDDQ.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:

| | |
|-------------------------------------|---------|
| Cost of Purchased Gas | \$3.956 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$3.974 |

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MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE MARCH 2017

| <u>Air Force Billing Determinants</u> | <u>Rate 1/</u> | <u>Amount</u> |
|---------------------------------------|----------------|--------------------------------|
| <u>Demand Charges</u> | | |
| <i>Transportation</i> | | |
| FT-1 MDDQ | 1,290 dk/Month | \$9.21000 |
| FTN-1 MDDQ | dk/Month | 0.24274 |
| Northern Border et. al. | dk/Month | 0.35320 |
| T-FTG-1 MDDQ | dk/Month | 10.38132 |
| Black Hills Gas | dk/Month | 7.32500 |
| <i>Storage</i> | | |
| FS-1 Capacity Reservation | dk/Month | 0.01757 |
| FS-1 Deliverability Reservation | dk/Month | 2.01507 |
| Total Demand Charges | | <u>180,243</u> |
| <u>Commodity Charges</u> | | |
| <i>Transportation Charges</i> | | |
| FT-1 Commodity | dk | 0.02972 |
| Fuel - Trans. WBI | dk | |
| Electric Power WBI | dk | 0.00806 |
| Fuel - Trans. NB | dk | |
| T-FTG-1 Commodity | dk | 0.07242 |
| Fuel - Transp. NW | dk | |
| SDIP | dk | 2.39800 |
| Black Hills Gas | dk | 0.08000 |
| <i>Storage Charges</i> | | |
| FS-1 Injection | dk | 0.01221 |
| FS-1 Withdrawal | dk | 0.01221 |
| Fuel - Storage | dk | |
| Electric Power WBI | dk | (0.00084) |
| <i>Gas Commodity Charges</i> | | |
| Gas Commodity | 479,120 dk | 2/ <u>1,366,769</u> |
| Total Commodity Charges | | |
| <u>Return on Rate Base</u> | | |
| Demand Charges 3/ | | 854 |
| Transportation Balances 3/ | | 244 |
| Cycle Storage Balances 3/ | | <u>3,667</u> |
| Total Return | | 4,765 |
| Total Gas Costs | | \$1,551,777 |
| 100% Load Factor dk Requirements | | 479,120 |
| Average Cost of Gas per dk | | \$3.239 |
| Less: Gas Cost Level in Rates 4/ | | <u>3.956</u> |
| Current Gas Cost Adjustment | | <u><u>(\$0.717)</u></u> |

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of March 2017.

3/ See Exhibit B, page 1. Allocated to 100% Load Factor on MDDQ.

4/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective February 1, 2017:
Cost of Purchased Gas \$3.956

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE MARCH 2017**

| | General Service | | |
|--------------------|-----------------------|-------------------------|-------------------|
| | Storage Balance 1/ | Commodity Balance 2/ | Prepaid Demand |
| October 2016 | \$10,967,115 | \$473,214 | \$4,273,761 |
| November | 10,413,738 | 458,092 | 3,462,679 |
| December | 6,605,160 | 332,299 | 1,616,680 |
| January 2017 | 1,874,208 | 199,269 | (456,582) |
| February | (1,012,840) | 121,216 | (1,936,732) |
| March | (2,396,549) | 83,805 | (2,850,368) |
| April | (2,570,587) | 79,099 | (2,619,006) |
| May | (958,926) | 128,602 | (1,520,584) |
| June | 1,576,888 | 206,694 | (44,487) |
| July | 4,199,798 | 287,468 | 1,419,428 |
| August | 6,998,357 | 373,786 | 2,881,996 |
| September | 9,416,633 | 447,987 | 4,165,475 |
| October | 9,783,661 | 459,241 | 4,390,580 |
| 13 month average | <u>\$4,222,820</u> | <u>\$280,829</u> | <u>\$983,295</u> |
| Rate of Return | 7.340% | 7.340% | 7.340% |
| Return | \$309,955 | \$20,613 | \$72,174 |
| Return Requirement | <u>\$432,881</u> | <u>\$28,788</u> | <u>\$100,798</u> |

1/ Monthly balance from SENDOUT Model, allocated to North Dakota on ratio of storage capacity MDDQ.

2/ Monthly balance allocated to North Dakota on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE MARCH 2017

| | |
|---|-----------------------|
| Cost of Purchased Propane | \$64,622 |
| Gallons Purchased | 79,780 |
| Projected dk Sales | 7,300 |
| Propane Cost per Dk | \$8.852 |
| Average Cost of Propane as Adjusted for Losses @ 99.55% | 8.892 |
| Less: Propane Cost Level in Rates 1/ | <u>7.685</u> |
| Current Propane Cost Adjustment | <u><u>\$1.207</u></u> |

1/ Propane Cost Level in Current Rates - Case No. PU-17-008, effective February 1, 2017.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM

| | (Over) Under Recovery | Refunds & Other | Interest 1/ | Total Net Additions | Actual Dk Sales | Adjustment Per Dk | Total Adjustment Amount | Net Change- Additions less Adjustment | Cumulative Balance |
|------------------------------------|--------------------------|--------------------|-------------|------------------------|--------------------|----------------------|-------------------------------|---|------------------------------------|
| Balance @ July 31, 2016 | | | | | | | | | <u><u>(\$1,979,379)</u></u> |
| August | \$112,833 | \$0 | (\$495) | \$112,338 | 284,793 | (\$0.310) | (\$88,286) | \$200,624 | (1,778,755) |
| September | (37,328) | 0 | (430) | (37,758) | 315,087 | (0.310) | (97,676) | 59,918 | (1,718,837) |
| October | 206,434 | 26,048 2/ | (473) | 232,009 | 501,460 | (0.112) | (114,625) 3/ | 346,634 | (1,372,203) |
| November | 592,504 | 0 | (514) | 591,990 | 846,693 | (0.112) | (94,829) | 686,819 | (685,384) |
| December | 957,959 | (3) 4/ | (291) | 957,665 | 1,908,024 | (0.112) | (213,699) | 1,171,364 | 485,980 |
| Balance @ December 31, 2016 | | | | | | | | | <u><u>\$485,980</u></u> |

1/ Interest calculated at the 90 day Treasury Note rate.

2/ To close out Market Based Pricing Differential balance that was eliminated in Case No. PU-15-90.

3/ Reflects 295,256 dk @ (\$0.310) and 206,203 dk @ (\$0.112).

4/ To close out interim reserve for refund account.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE**

| | <u>(Over) Under Recovery</u> | <u>Refunds & Other</u> | <u>Interest 1/</u> | <u>Total Net Additions</u> | <u>Actual Dk Sales</u> | <u>Adjustment Per Dk</u> | <u>Total Adjustment Amount</u> | <u>Net Change- Additions less Adjustment</u> | <u>Cumulative Balance</u> |
|------------------------------------|----------------------------------|--------------------------------|--------------------|--------------------------------|----------------------------|------------------------------|--|--|----------------------------------|
| Balance @ July 31, 2016 | | | | | | | | | <u><u>(\$136,041)</u></u> |
| August | \$16,964 | \$0 | (\$34) | \$16,930 | 24,929 | (\$0.018) | (\$449) | \$17,379 | (118,662) |
| September | 209 | 0 | (29) | 180 | 24,331 | (0.018) | (438) | 618 | (118,044) |
| October | 9,658 | 0 | (32) | 9,626 | 43,722 | (0.147) | (3,479) 2/ | 13,105 | (104,939) |
| November | 19,836 | 0 | (39) | 19,797 | 91,508 | (0.147) | (13,451) | 33,248 | (71,691) |
| December | 16,356 | 0 | (30) | 16,326 | 74,838 | (0.147) | (11,001) | 27,327 | (44,364) |
| Balance @ December 31, 2016 | | | | | | | | | <u><u>(\$44,364)</u></u> |

1/ Interest calculated at the 90 day Treasury Note rate.

2/ Reflects 22,855 dk @ (\$0.018) and 20,866 dk @ (\$0.147).

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
AIR FORCE**

| | <u>(Over) Under Recovery</u> | <u>Refunds & Other</u> | <u>Interest 1/</u> | <u>Total Net Additions</u> | <u>Actual Dk Sales</u> | <u>Adjustment Per Dk</u> | <u>Total Adjustment Amount</u> | <u>Net Change- Additions less Adjustment</u> | <u>Cumulative Balance</u> |
|------------------------------------|----------------------------------|--------------------------------|--------------------|--------------------------------|----------------------------|------------------------------|--|--|---------------------------------|
| Balance @ July 31, 2016 | | | | | | | | | <u><u>(\$86,618)</u></u> |
| August | \$3,685 | \$0 | (\$22) | \$3,663 | 3,440 | (\$0.089) | (\$306) | \$3,969 | (82,649) |
| September | (124) | 0 | (20) | (144) | 3,534 | (0.089) | (315) | 171 | (82,478) |
| October | 1,745 | 0 | (23) | 1,722 | 8,139 | (0.230) | (725) 2/ | 2,447 | (80,031) |
| November | 3,185 | 0 | (30) | 3,155 | 26,641 | (0.230) | (6,128) | 9,283 | (70,748) |
| December | 7,674 | 0 | (30) | 7,644 | 33,622 | (0.230) | (7,733) | 15,377 | (55,371) |
| Balance @ December 31, 2016 | | | | | | | | | <u><u>(\$55,371)</u></u> |

1/ Interest calculated at the 90 day Treasury Note rate.

2/ Reflects 8,139 dk @ (\$0.089) and 0 dk @ (\$0.230).